

AFFORDABILITY SUBCOMMITTEE

Governor Beshear's Higher Education Work Group

December 2, 2008

3:00 PM – 5:00 PM

Capitol Annex, Room 169, Frankfort, KY

MINUTES

Subcommittee Members Present:

Jonathan Miller, Chair

Mira Ball, Work Group Co-Chair

Pete Mahurin, Work Group Co-Chair

Steve St. Angelo (proxy)

Gary Cox

Dr. Richard Crofts

Robert Lekites (proxy)

Auditor Crit Luallen

Secretary Helen Mountjoy (proxy)

Jim O'Brien (proxy)

Representative Carl Rollins

Senator Tim Shaughnessy

Introductory remarks

Secretary Jonathan Miller, Subcommittee Chair

The meeting was called to order at 3:00 PM by Secretary Jonathan Miller.

Observations on College Affordability

Dr. Sandy Baum, Senior Policy Analyst, College Board, and Professor of Economics, Skidmore College

Dr. Baum presented the subcommittee with data regarding national trends in college prices and student aid, and how Kentucky compares to those national trends. Dr. Baum is the senior policy analyst for student aid and postsecondary education finance at The College Board, and a professor of economics at Skidmore College in Sarasota Springs, New York. The presentation showed that Kentucky is above the regional and national averages in public two-year and four-year institution tuition prices. For many low-income students in Kentucky, grants cover all tuition and fees, but the net cost of attending college exceeds most students' financial abilities. The main issue is funding living costs. In 2006-07, 49% of Kentucky's total state grants were need-based aid, but this does little in affecting the overall cost of higher education in the state for low-income students. Within the state, Eastern Kentucky suffers from low incomes and high unmet need for financial aid, while in Northern Kentucky there is a higher income average, but a lower amount of unmet need.

Dr. Baum's recommendations for making higher education more affordable included simplifying the aid system, encourage college savings plans, requiring all students to complete the FAFSA as part of the enrollment application, and initiate programs that focus on early awareness and preparation for going to and paying for college.

College Access Outreach in Kentucky

Sue Patrick and Bruce Brooks, CPE staff

The subcommittee heard a presentation from the Council on Postsecondary Education about college access and outreach efforts in Kentucky. The presentation showed that about half of Kentucky students

do not complete a FAFSA, and that only 15 out of every 100 ninth graders earn a college degree within six years of their high school graduation. There has been no improvement in the college-going rate among poor families in the last 10 years in Kentucky. There are multiple college-access web sites, contributing to the confusion of applying for college and financial aid (the Council on Postsecondary Education and the Kentucky Higher Education Assistance Authority (KHEAA) have both launched separate accessibility and outreach efforts). Many families and adult students overestimate the cost of going to college, and nationally, about 33% of eligible families do not take advantage of federal education tax benefits. Adult learners are also unaware of nontraditional learning opportunities available in Kentucky (such as the Kentucky Virtual Campus).

CPE offered the following short-term policy recommendations to the subcommittee: expand and improve financial aid information; conduct a high-profile college access and success appeal; increase FAFSA completion; develop a comprehensive, coordinated, and sustainable outreach campaign; and create a single state-level college-access and success website.

Presentation on Education Benefits for Veterans

Colonel Charles Jones, Kentucky National Guard

Sergeant Pam Cypert (Ret), Kentucky Department of Veterans' Affairs

The subcommittee heard two presentations about military educational benefits. Colonel Jones presented the Kentucky National Guard educational benefits for soldiers. The presentation explained the Kentucky Tuition Award Program (KYTAP), the Montgomery GI Bill (MGIBILL), and the Federal Tuition Assistance (FTA) program. KYTAP pays 100% of tuition costs at Kentucky public universities and an annual cap of \$6480.00 for KY private institutions. KYTAP is facing a significant shortage in funding for this program in the coming years, as enrollment and tuition prices increase, but monetary contributions to the program decrease. The MGIBILL pays a monthly stipend for full time enrollment to those soldiers who meet the specified qualifications. Effective August 2009, the Post 9/11 CHP 33 MGIBILL will revamp financial aid for members of the military. It is currently in Legal Review, and specific benefits to National Guard members are still unknown. The FTA program is primarily used for out of state institutions, distance and online learning, and graduate level course work. It pays per credit hour, up to an annual cap of \$4500. Award amounts are based on availability of funds at the Federal Level.

Sergeant Cypert (Ret) spoke to the subcommittee about the Kentucky Department of Veterans Affairs' educational benefits. Along with the GI Bill's benefits, Kentucky also has a tuition waiver program for dependants of certain disable or deceased veterans.

Discussion of Priorities for January 15 report

Secretary Jonathan Miller, Subcommittee Chair

The meeting continued with discussion among the subcommittee members about priorities for short-term recommendations.

Next steps: Meeting Topics and Issues through January 15 Report and September 1 Report

Secretary Jonathan Miller, Subcommittee Chair

Discussion and questions from the audience

Adjournment